



VILLAGE OF ORLAND PARK

SUMMARY OF TERMS AND CONDITIONS

October 14, 2011

<u>Borrower:</u>	Village of Orland Park ("Village").
<u>Credit Bank:</u>	Fifth Third Bank ("Bank").
<u>Credit Facility:</u>	(1) Taxable General Obligation Revolving Line of Credit (RLOC). (2) Converting to a Term Loan three years after closing of revolver upon satisfaction of the following conditions: A. No Event of Default has occurred. B. The Village has reserved capacity to issue Bonds to refund the term loan under the existing Bond Ordinance. C. If a floating rate Term Loan is used, an interest rate management agreement, acceptable to the Bank, must be used to synthetically fix the rate unless 30 day LIBOR is at or below 1% per annum for at least 30 consecutive days in the 90 day period prior to the commencement of Term Loan.
<u>Amount:</u>	Up to \$30,000,000.00.
<u>Term:</u>	Up to a total of ten (10) years from the date of closing, with (1) Revolving Line of Credit: Three (3) years from Closing Date. (2) Term Loan: Up to seven (7) years.
<u>Purpose:</u>	To fund project costs related to the redevelopment plan and project for the Main Street Tax Increment Financing District known as the Triangle Development Project, located at 143 rd Street and LaGrange Road in the Village ("Project").
<u>Security:</u>	The Credit Facility shall be a general obligation of the Village, secured by a pledge of its full faith and credit. The Village has the power to levy ad valorem property taxes without limitation as to rate or amount against all taxable property in the Village. So long as the Revolver is outstanding, the Village shall reserve capacity to issue the lesser of: (a) \$30,000,000 and (b) \$65,000,000 minus not to exceed \$40,000,000 principal amount of any outstanding Taxable General

Obligation Refunding Bonds of the Village authorized by the Ordinance adopted September 19, 2011 (the “2011 Authorized Bonds”) by the President and Board of Trustees of the Village for the purpose of refunding the Bank loan. So long as the Term Loan is outstanding, the Village shall reserve capacity to issue 2011 Authorized Bonds in an aggregate principal amount of not less than the outstanding principal amount of the Term Loan.

Reserve Fund: Village will fund a reserve at closing to be held by the Bank in an interest bearing account or invested in securities purchased through Fifth Third Securities, Inc. and held by the Bank in an amount of \$1,500,000. If moneys are withdrawn from the reserve to pay debt service on the Bank loan, the Village shall restore the reserve to its full amount within 60 days.

Pricing:

- (1) Floating rate of 30-day LIBOR plus 90 bps for revolving line of credit.
- (2) Floating rate of 30-day LIBOR plus 100 bps for term loan provided that an interest rate management agreement is used to fix the rate.
- (3) Alternatively prior to conversion to the Term Loan, the Village may choose a Fixed rate of 10-year US Treasury plus 175 bps for the Term Loan.

Fees:

Commitment fee of \$50,000.00

- Fee of \$10,000.00 due upon acceptance and signing of this commitment.
- Fee of \$15,000.00 due within one week of signing the RDA.
- Balance of fee of \$25,000.00 due at closing.
- If the Village does not sign the RDA, the commitment fee of \$10,000.00 will remain intact, and the balance of \$40,000.00 will be waived.
- Undrawn/unused line fees are waived, or zero per annum

Exit fee of \$20,000.00 if the revolving line of credit (RLOC) does not convert to a term loan.

Ratings Grid:

The above pricing will increase should the Village’s public debt rating decline below AA, as follows:

Lower of Moody’s or S&P rating:	New Floating Rate during Revolver (basis L equals 30 day LIBOR)	New Floating Rate during Term Loan (basis L equals 30 day LIBOR)	New Fixed Rate during Term Loan (basis T equals 10 year Treasury)
AA1/AA+, AA2/AA or AA3/AA-	L + 90 bps.	L + 100 bps.	T + 175 bps.
A1/A+ or A2/A	L + 150 bps.	L + 160 bps.	Add fee of 15 bps.
A3/A-	L + 190 bps.	L + 200 bps.	Add 25 bps. fee to above
Below A3/A-	Add 300 bps. to above.	Add 300 bps. to above	Add 300 bps. to above

<u>Amortization:</u>	Interest only for first three (3) years. Thereafter, amortize over 25 years. Principal amortizes annually based on mortgage style amortization.
<u>Payment Dates:</u>	The Village agrees to make monthly payments to the Bank of interest and during the Term Loan principal.
<u>Covenants:</u>	Ordinary and Customary for this type of transaction and: 1. Agree to maintain Reserve Fund as set forth above under security. 2. Agree to maintain capacity to issue 2011 Authorized Bonds in an amount equal to the lesser of: (a) \$30,000,000 or (b) during the Term Loan, the outstanding principal amount of the Term Loan. During the Revolving Period, see "Security". 3. If an Event of Default occurs, Village agrees to issue 2011 Authorized Bonds to repay the Bank loan in full within 90 days. 4. Village will extend its current banking agreement for at least three years with the Bank (with such changes as the Bank shall approve) prior to November 30, 2011. 5. Village agrees to use proceeds of all advances under the Credit Facility solely for the payment of or reimbursement to the Village for Project costs and not for working capital or general operating expenses. 6. Village to indemnify Bank for increased costs of credit facility due to changes in applicable laws and regulations.
<u>Expenses:</u>	All expenses incurred by the Bank shall be paid by the Borrower, including but not limited to, legal expenses and third party reports. Such expenses shall be paid at closing, or on demand, in the event the transaction fails to close.
<u>Representations:</u>	The Village shall represent that it has taken all legal action necessary to enter into this agreement, in a form satisfactory to the Bank.
<u>Conditions Precedent:</u>	Delivery of all documentation, including legal opinions, in a form satisfactory to the Bank; Opinion of Counsel to the Village acceptable to the Bank that Credit Facility is secured on a parity with other Village general obligation debt; Evidence of authority to enter into loan and credit documents; Project budget, contracts, and construction documents, as reasonably requested by the Bank. In form and substance acceptable to the Bank;

Payment of all expenses, including legal fees not to exceed \$20,000 for Bank counsel;

Opinion of Counsel to the Village as to the validity and enforceability of the Credit Documents against the Village;

Review of other documents the Bank may reasonably request;

No Event of Default shall have occurred and be continuing and no event shall have occurred which, with the passing of time or the giving of notice, or both, would constitute an Event of Default under the Credit Documents; and

No adverse change in Credit Ratings of Village.

Reporting:

Annual audited financial statements within 180 days of fiscal year-end.

Annual Budgets and forecasts, if prepared, within 10 days of Board approval of same.

Events of Default:

1. Non-payment of principal or interest when due.
2. Downgrade below A3 (Moody's) or A- (S&P).
3. Violation of covenants, if not cured in 30 days.
4. Bankruptcy or insolvency.
5. Village contests the validity of the Credit facility or the credit documents.
6. Village makes any materially incorrect or misleading representations in the credit documents, financial statements or in certifications to the Bank.

Default Rate:

Equals otherwise applicable rate plus 300 basis points.

Participations:

Bank shall be permitted to grant participations in the Credit Facility to one or more banking institutions.

Governing Law:

State of Illinois, with waiver of jury trial.